

Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION
INTELLIGENCE DIVISION

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INDIA: COUNTRY BRIEF



FACT SHEET

DEA Office Responsible: New Delhi Country Office

Type of Government: Federal Republic

Official Name: Republic of India

Capital: New Delhi

Population: 1,049,991,145 (July 2003 Est.)

Status in International Drug Trafficking

India is the world's largest producer of licit opium; however, a portion of the licit opium poppy crop is diverted to the illicit market. Opium, obtained both through diversion and from illicit poppy cultivation, is processed into heroin in India. The type of heroin that is most often found in India is a crudely refined heroin base called "brown sugar."

India's large chemical industry produces a wide variety of precursor and essential chemicals, including acetic anhydride (AA), potassium permanganate (PP), ephedrine, pseudoephedrine, and other chemicals used to produce amphetamine-type stimulants.

India serves as a minor source country for heroin, and also serves as a transit area for Southwest Asian (SWA) heroin from Afghanistan that often enters India from Pakistan. The transit of Southeast Asian (SEA) heroin from Burma is not

believed to be significant. Heroin from Burma is used primarily within the addict population of northeastern India.

India's large population contains a significant number of drug abusers, although precise estimates are not available. Heroin, hashish, and pharmaceutical drugs are readily available

and widely abused. Brown sugar heroin is primarily produced for domestic heroin users, since there is little market for this type of heroin outside of India.

Cultivation and Processing

Cultivation

Cannabis

Cannabis cultivation is illegal, yet widespread, in India. No estimates as to the size of this illicit cultivation are available. Both marijuana and hashish are processed in India. The Kullu Valley in Himachal Pradesh is known to produce marijuana with a high delta-9 tetrahydrocannabinol (THC) content, which makes the marijuana attractive to foreign hashish buyers.¹ However, the majority of India-produced marijuana and hashish is for domestic use, although a small percentage is destined for the international market.

Ephedra

The active alkaloid for the precursor chemical ephedrine is chemically extracted from the ephedra plant and processed for pharmaceutical purposes. There are at least 30 different species of the ephedra plant found throughout Asia, Europe, and North America. There are only five species of the plant that are capable of producing useable quantities of ephedrine. These five species are found in China, India, Mongolia, and Pakistan. India and China are major producers of ephedrine.

Opium

India is the largest producer of opium gum for the world's pharmaceutical industry. In 2002, India produced 820 metric tons of opium gum from 18,447 hectares of opium poppy. In 2001, India produced only 726 metric tons of opium gum, which was a decrease from the 1,302 metric tons of opium gum produced in 2000. India is the only country that permits the legal extraction of opium gum, rather than using the concentrate obtained from the poppy straw (CPS) processing method.

Analyst Note: In the CPS process, poppy pods are dried on the stalk in the fields, and then crushed in order to remove the seeds. The seeds are used for a food product and the crushed pods are processed to extract the alkaloids. In India, however, farmers lance poppy pods in the fields to remove the opium. Farmers then sell the collected opium gum to the government.

Licit Opium Cultivation

In 1981, the United States applied the "80-20 rule" to guarantee that India and Turkey (also a traditional opium producer) have a combined 80 percent share of the U.S. pharmaceutical

¹ THC, the primary psychoactive chemical of the cannabis plant, is most concentrated in the unfertilized buds of the female plant. Potency is expressed as the percentage of THC in dried plant material.

market's annual purchase of morphine. The 80-20 rule reflected the realities of the morphine market in 1981 when Australia, France, and other licit producers were considered new or nontraditional producers, and provided less than 20 percent of global production. While India and Turkey still share 80 percent of the U.S. market, they now share closer to half of the global market. The 80-20 rule will remain in effect until January 2006, at which time it may be extended, modified, or discontinued.

Licit opium poppy cultivation is a labor intensive and locally dispersed industry in India. Opium poppy cultivation is permitted under government control in the States of Madhya Pradesh, Rajasthan, and Uttar Pradesh. The Central Bureau of Narcotics (CBN), which is part of the Department of Revenue, is responsible for all facets of the opium industry. The CBN monitors the industry to prevent diversion, determines the number of licensed growers and areas of cultivation, and supervises collection of opium gum from farmers. The CBN operates two processing centers, one in Madhya Pradesh and the other in Uttar Pradesh. These processing centers purify, dry, weigh, and package the opium. If farmers divert opium to the illicit market, they can lose their licenses to cultivate opium and are subject to fines and imprisonment.

The exact amount of licit opium diverted to the illicit market is unknown. However, the most frequently reported estimates indicate that from 10 to 30 percent of the licit crop may be diverted. Using these estimates, diversion from the 2002 opium crop ranged from 80 to 250 metric tons, which means more illicit opium could have been available in India than in other opium cultivating countries such as Colombia, Mexico, or Laos. Since 2001, the United States and India have collaborated on a study that enables the Government of India to better estimate diversion. In 2003, the joint licit opium poppy survey will improve the scientific basis to determine a minimum-qualifying yield, which is the figure that farmers must meet when turning in opium gum to the Government of India. When minimum-qualifying yields are not met, the Indian Government has a basis for investigating the discrepancy. However, India's large geographic area and the scope of opium cultivation hamper enforcement efforts in the country.

Illicit Opium Cultivation

Illicit opium cultivation also occurs in India. The Indian Government began eradication efforts in northeast India in 1996, due to increased illicit cultivation. Illicit cultivation occurs in the States of Bihar, Uttar Pradesh, and Himachal Pradesh, as well as Arunachal Pradesh and other parts of northeastern India. Indian officials pursue detection and destruction of illicit opium crops and the prosecution of illicit cultivators.

India's Eradication Statistics in Hectares 1997 - 2002

	1997	1998	1999	2000	2001	2002
Opium Poppy	35	95	248	153	15	218
Cannabis	*	10	20	27	253	*

Source: DEA New Delhi

* Reported in the International Narcotics Control Strategy Report (INCSR) as amphetamine-type stimulants.

Processing

Heroin

Opium is processed into heroin in illicit laboratories located in India. These laboratories generally produce a low-quality brown sugar heroin base. Heroin hydrochloride (HCl), to include “white” export-quality heroin, is also produced in India. Since 1999, there have been increases in the number and quantity of seizures of Indian white heroin. Most of this white heroin is destined for Europe. Most of the heroin bound for Sri Lanka now appears to be the brown sugar heroin.

Methaqualone

India is the world’s largest producer of illicit methaqualone. Methaqualone is one of three categories of depressants, and is usually marketed under the brand name Mandrax. Large seizures of Mandrax are common. For example, in September 2000, more than 2 metric tons of Mandrax powder were seized near Hyderabad. In February 2001, 1.4 metric tons of Mandrax tablets were seized in Bombay. Although methaqualone laboratories and tablet-pressing operations have been seized in South Africa, India remains the major source for a substantial amount of the Mandrax found in South Africa. Most of the India-produced Mandrax originates in the Gujarat or Maharashtra States and is usually shipped by maritime containerized cargo to locations, such as South Africa, which have serious Mandrax abuse problems.

Trafficking

Heroin

The United States remains a minor market for heroin from India, whether it has been produced in, or has transited through, India. Heroin produced in India is trafficked to international locations, although the total amount is negligible, compared to the quantities of heroin produced in Burma, Afghanistan, or Colombia. The most common type of heroin, brown sugar, produced in India has a limited market outside the region. However, seizures of shipments en route to, and within, Sri Lanka suggest that there is an external regional market for heroin produced in India.

Precursor Chemical Production and Diversion

Precursor chemicals, such as AA, N-acetylanthranilic acid (N-AAA), ephedrine, pseudoephedrine, ergotomine, egonovine, PP, methylenedioxyphenyl-2-propanone (MD2P2), phenyl acetone (P2P) and others, are legally manufactured in India. Indian officials fully control access to a number of chemicals, such as AA, N-AAA, ephedrine, and pseudoephedrine, but do not control all 23 chemicals listed in the annex of the 1988 United Nations (U.N.) Convention. India is an active participant in Operations TOPAZ and PURPLE, which are international initiatives designed to prevent the diversion of AA and PP.

Ephedrine and pseudoephedrine produced in India are legally exported to many countries, including the United States, Canada, Germany, and Mexico. Ephedrine and pseudoephedrine can also be used for the illicit production of methamphetamine. In 1999, Indian law was amended to include controls on ephedrine. Ephedrine diverted for illicit use is most often traced to the

companies that use it to produce pharmaceutical drugs, rather than to licensed ephedrine producers or wholesalers.

There are at least 12 legal producers of AA in India. AA is used to produce licit pharmaceutical drugs, and it is also employed in the textile industry. Although India is currently producing an estimated 35,000 metric tons of AA, it has the capacity to produce an estimated 90,000 metric tons of AA annually. AA is the most commonly used chemical to convert morphine into heroin, and can be used to synthesize the methaqualone precursor N-AAA and the methamphetamine and amphetamine precursor, 1-phenyl-2-propanone. Despite governmental controls, India-produced AA continues to be seized en route to Afghanistan's heroin laboratories, and to Burma's methamphetamine and heroin laboratories.

Trafficking Groups

Trafficking groups operating in India include nationals from India, Afghanistan, Pakistan, and Nepal. Although India, Pakistan, and Bangladesh are no longer combined into one country, as they were prior to 1947, family connections remain strong in the region, and provide a network of contacts that facilitate cross-border trafficking.

Nigerian traffickers are present in India, particularly in Delhi. In some instances, Nigerian-controlled couriers transit through India en route to international destinations. This is an effort to avoid law enforcement authorities at the destination airport, as passengers who arrive from major drug-producing or transit countries are subject to greater scrutiny. Pakistani officials continue to arrest couriers who are ticketed to India at airports in Lahore, Karachi, and Islamabad. In other cases, West African traffickers reside in India and domestically sell heroin and hashish to other Africans and Indians.

There are only two authorized border crossings on India's otherwise porous northeastern border with Burma. This region is connected to the rest of India by a 32-kilometer strip of land, bordered by Bangladesh, Bhutan, and Burma. This region is home to insurgent groups, and reporting suggests that, while these groups are not involved in drug production or drug trafficking, they may profit from some aspects of the drug trade. For example, several groups in Nagaland, including the Isaac-Muivah and Khaplang factions of the National Socialist Council of Nagaland, tax and extort money from traffickers in return for protection or the right to traffic drugs. These groups in Nagaland are of Tibeto-Burmese ethnic origin. Nagas live in remote parts of northwest Sagaing District in Burma, and in the State of Nagaland in India. The People's Revolutionary Party of Kangleipak, a leftist group headquartered in Manipur, and the All Tripura Tribal/Tiger Force in Tripura are other groups that profit from extortion, and they may facilitate cross-border drug trafficking.

Analyst Note: The collective term Naga is used for the many tribes that live in this region. They speak different and mutually unintelligible dialects.

Ethnic Tamils in the southern Indian State of Tamil Nadu are involved in trafficking between India and Sri Lanka, an independent island off the southern coast of India. Heroin destined for Sri Lanka is regularly seized in India and in the Gulf of Mannar. Some reports suggest that the Liberation Tigers of Tamil Eelam (LTTE), a Sri Lankan separatist group, receives funding from drug trafficking, although no direct nexus between the LTTE and drug trafficking has been confirmed.

Ethnic Indian organized crime syndicates, such as the organization headed by Dawood Ibrahim, are reportedly involved in a variety of illicit activities, such as extortion, drug trafficking, money laundering, counterfeiting, and terrorism. Dawood Ibrahim is currently considered a fugitive by the Indian Government, which is seeking him for his connection to 1993 Mumbai (Bombay) stock-market bombings.

Trafficking Methods and Routes

India is a transit country and a destination for heroin and hashish originating in neighboring Nepal, Afghanistan, and Pakistan. Although the border is closely monitored and tensions remain high between India and Pakistan, opiates continue to enter India overland from Pakistan. Sea and air routes are also used to bring heroin from southern Pakistan. An unknown percentage of this heroin remains in India, but some also transits India en route to international destinations, especially from New Delhi or Bombay by couriers traveling on commercial airliners. Little information is available on heroin and hashish smuggling by sea, although both are believed to occur.

Drug-related Money Laundering

India is not considered an international or regional financial center, but money laundering does occur in the country. The primary means of money laundering in India is the informal banking system known as the *hawala*. *Hawala* is an underground banking network composed of businesses that engage in international commerce. Through these businesses, large sums of money can be transferred internationally with little paperwork and no physical movement of funds.

The events of September 11, 2001, and the December 13, 2001, attack on the Indian Parliament caused a flurry of anti-money laundering activity in the Indian Parliament in late 2001. In November 2001, the Indian Parliament passed the Prevention of Terrorism Ordinance, which provides law enforcement more tools to seize the financial assets of organizations linked to terrorist and drug trafficking activities. In November 2002, Parliament passed the Prevention of Money Laundering Act, which significantly increases the fines and jail time for individuals convicted of money laundering. The Prevention of Money Laundering Act was signed into law in January 2003, by the President of India.

Money Laundering Enforcement Activity by the Indian Government 1998 - 2002 (U.S. Dollars)

	1998	1999	2000	2001	2002
Assets Seized	\$498,933	\$128,766	\$277,122	\$34,029	\$262,000
Assets Frozen	641,005	155,988	112,349	NA*	104,000

* Not available

Source: INCSR

Drug Abuse and Treatment

Drugs of Choice

Marijuana, heroin, and domestically produced pharmaceutical drugs are the most frequently abused drugs in India. Marijuana products, often called *charras* (hashish), *ganja* (marijuana), or *bhang* (crushed marijuana) are abused throughout the country. In fact, in some parts of India, crushed marijuana is used to season foods and spice drinks during religious ceremonies and on holidays. Cocaine, d-lysergic acid diethylamide (LSD), and 3, 4-methylenedioxy-methamphetamine (MDMA) are available, but not widely used due, in part, to their high cost.

Heroin is readily available in India. Most users smoke brown sugar heroin by breathing in the smoke from heroin burning in a dish rather than in a pipe (a process known as “chasing the dragon”). In the northeast, high-purity, low-cost heroin from Burma dominates. Intravenous drug use is highest in northeastern India. In addition to heroin abuse, the intravenous injection of proxyvon is also a problem in the States of Manipur and Mizoram. Proxyvon is a legally produced analgesic and opium derivative. Users inject a suspension of proxyvon powder and water, which leads to a very short, yet intense, high. Other pharmaceutical drugs are also abused. Opium derivatives, such as buprenorphine, diazepam, and codeine can be easily obtained from pharmacies, even though prescriptions are required. Phensidyl is heavily abused in the Indian State of West Bengal.

Addict Population

The exact number of drug abusers in the country is not known. India is the second most populous country in the world, with a population of approximately 1,049,991,145 people (July 2003 estimate). Drug abuse is widespread throughout the country. From 1999 to 2001, the Government of India and the U.N. Office of Drugs and Crime conducted a nationwide study of drug addiction. The study focused on a variety of situations, location, and subject criteria (4,648 drug users). The study concluded through multiple pages of statistics, trends, and interviews that drug abuse in India led to a variety of problems for India, such as an increased burden on the health care system.

Treatment and Demand Reduction Programs

India pursues multiple approaches to deal with drug issues. A high level of social and official awareness is evident, especially on issues such as demand reduction, rehabilitation, and detoxification. Due to a large number of local government initiatives, especially in areas in and around Calcutta, strong demand reduction programs have been implemented.

Drug Law Enforcement Agencies and Legislation

The Narcotics Control Bureau (NCB) was established in 1986 and is responsible for coordinating counterdrug activities for all of India’s law enforcement agencies. The NCB had been under the Ministry of Finance, but was transferred to the Home Ministry in April 2002.

The CBN is staffed with approximately 1,600 personnel and is responsible for all aspects of the opium industry and preventing illicit precursor chemical trafficking. The Directorate of Revenue Intelligence is part of the Ministry of Finance and is responsible for information on the smuggling of goods, including drugs into, or out of, India.

Other law enforcement agencies with counterdrug responsibilities in India are the Central Bureau of Investigation, the Customs Commission, and the Border Security Force. The Customs Commission has a wide variety of drug law enforcement tasks and falls under the Ministry of Finance's Central Board of Excise and Customs. The Border Security Force, under the Home Ministry, is a paramilitary force that controls India's land borders and frequently interdicts drug shipments.

In October 2001, the Indian Government amended the Narcotics Drug and Psychotropic Drug Act of 1985. The most significant amendments include changing the law to allow for sentencing to be based on the size of the drug seizure, and formally authorizing controlled deliveries inside and outside of India. Prior to these changes, individuals found with small amounts of illicit drugs were subject to the same penalties as large-scale drug traffickers.

Treaties and Conventions

India has bilateral agreements on drug trafficking with 13 countries, including Pakistan and Burma. Prior to 1999, extradition between India and the United States occurred under the auspices of a 1931 treaty signed by the United States and the United Kingdom, which was made applicable to India in 1942. However, a new extradition treaty between India and the United States entered into force in July 1999. The United States and India signed a Mutual Legal Assistance Treaty in October 2001. India also is signatory to the following treaties and conventions:

- Member of the International Criminal Police Organization (INTERPOL);
- Member of the South Asian Association for Regional Cooperation (SAARC);
- 1961 U.N. Convention on Narcotic Drugs;
- 1971 U.N. Convention on Psychotropic Substances;
- 1988 U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances;
- 1987 SAARC Regional Convention on Suppression of Terrorism;
- 1993 SAARC Regional Convention on Narcotic Drugs and Psychotropic Substances; and
- 2000 Transnational Crime Convention.

Statistical Tables

Drug Prices in India as of December 2002 (U.S. Dollars)

Heroin (kilogram)	\$1,666 - \$6,251
Opium (kilogram)	166 - 312
Hashish (kilogram)	145 - 312
Methaqualone (kilogram)	208
Acetic Anhydride	1.45

Source: DEA New Delhi

Drug-Related Arrests in India 1998 - 2002

	1998	1999	2000	2001	2002
Arrests	13,243	13,490	15,065	13,333	8,293
Prosecutions	11,079	10,841	19,162	9,962	8,662
Convictions	2,673	2,891	4,447	2,997	3,247
Acquittals	5,488	4,632	5,416	4,150	3,536

* Not available

Source: DEA New Delhi

Drug Seizures in India 1995 - 2002 (kilograms)

	1995	1996	1997	1998	1999	2000	2001	2002
Heroin	1,678	1,090	1,332	655	861	1,240	827	636
Morphine	4	4	76	19	36	39	23	49
Opium	1,339	2,875	3,221	2,031	1,635	2,684	2,369	1,403
Cocaine	40	3	24	1	1	.35	2	2
Marijuana	121,873	62,922	80,866	68,221	40,113	100,056	81,133	66,071
Hashish	3,600	5,818	3,285	10,106	3,391	5,041	5,424	2,079
Methaqualone	20,486	2,210	1,740	2,257	474	1,095	1,984	11,130
Mandrax	NA*	NA*	NA*	NA*	NA*	2,146	1,424	NA*
Amphetamine-Type Stimulants (tablets)	NA*	NA*	NA*	NA*	2,020	8,804	5,600	NA*

* Not available

Source: DEA New Delhi

Precursor Chemical Seizures in India 1995 - 2002

	1995	1996	1997	1998	1999	2000	2001	2002
Acetic Anhydride (in liters)	9,282	4,627	8,331	6,197	2,963	1,337	8,541	3,284
Ephedrine (in kilograms)	NA*	NA*	NA*	1,051	2,134	532	1,017	27

Source: DEA New Delhi

Key Judgments

India will continue to be a major supplier of chemicals diverted to the illicit market. India actively seeks to control diversion and cooperates effectively with other countries. Even though Indian officials control access to a number of chemicals (such as AA, N-AAA, ephedrine, and pseudoephedrine), they do not yet control all 23 chemicals listed in the annex of the 1988 U.N. Convention. Despite governmental controls, India-produced AA continues to be seized both en route to Afghanistan's heroin laboratories and to Burma's methamphetamine and heroin laboratories. Although India is currently only producing an estimated 35,000 metric tons of AA, it has the capacity to produce an estimated 90,000 metric tons of AA annually. India's continued active participation in Operations TOPAZ and PURPLE is vital to the international initiatives, which were designed to prevent the diversion of AA and PP.

India's large population remains at risk for increased drug abuse, due to availability and low cost of both domestically produced drugs and drugs smuggled from the nearby countries of Burma, Nepal, Afghanistan, and Pakistan. The Indian Government is actively seeking ways to reduce demand and to increase public awareness.